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WHERE AND HOW TO GET A FARM

Some Questions and Answers

Leaflet No. 432

U. S. DEPARTMENT OF AGRICULTURE

WHERE AND HOW TO GET A FARM

Some Questions and Answers

FINDING FARMLAND

Private Land

1. *What farms are available?*

Almost all the farms and farm tracts available are privately owned and must be bought from the owners. About 150,000 farms and farm tracts are sold every year. Very little Government homestead land suitable for farming is available. (See section on Public Land.)

2. *Where can I find out what farms are for sale?*

From advertisements in farm journals and local newspapers, farm real estate dealers, county agricultural agents, and similar local sources. The Federal Government has no list of farms for sale.

3. *What about land for part-time farming?*

Within a short distance of most towns and industrial centers there is a considerable acreage of privately owned land from which a small tract might be bought and developed as a part-time farm or rural home. Usually, these small sites are not meant to be *self-supporting*. They are paid for mainly from outside income. Consequently, the purchase and improvement of such a place may have to be financed simply as a home. In some instances, where the purchaser derives most of his income from farm products, the part-time farm can be financed as a farm unit.

Development of New Farmland

4. *What about the development of new farming areas?*

Drainage and improvement of cut-over lands could open up enough land for several thousand farms in the Mississippi Delta and in scattered areas throughout the country. Such land is usually developed by private enterprise. The land must be sought out and purchased from the owners.

Some farm tracts are made available each year on western irrigation projects of the Bureau of Reclamation, U. S. Department of the Interior. The number of available tracts depends on the

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The Department of Agriculture receives numerous requests for information from persons who want to farm. Many want information about special problems. But, in addition, nearly all want to know (1) where to get farms, and (2) how to get help in acquiring them. The primary purpose of this leaflet is to answer those two questions.

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progress of construction of irrigation facilities.

5. *What kind of land is made available through Bureau of Reclamation projects?*

The Bureau's irrigation or reclamation projects make available (1) a few remaining tracts of public land that may be homesteaded when water is made available; (2) lands acquired by the Government on reclamation projects and offered for sale as soon as water is supplied; and (3) privately owned land on reclamation projects offered for sale by the owners when the irrigation projects are completed. Before buying privately owned land within a reclamation project area, check with the project manager to make sure the land actually will get water.

Public Lands

6. *Can I get a free homestead?*

Probably not. Very little public land suitable for farming is left in the continental United States. The Federal homestead laws are still on the books, but public lands have been pretty well picked over.

7. *If I locate a tract of public land, may I farm it?*

Yes, provided the land has been classified by the Bureau of Land Management of the Department of the Interior as suitable for farming.

8. *May I ask someone else to locate a tract for me?*

Yes. But before a homestead is granted, you must swear that you have personally examined the land.

9. *What are the chances of locating a tract suitable for farming?*

On the average, only about a hundred tracts of public land a year are classified as suitable for farming. Most such available tracts are in the rough. Before you could make a living from one of them, you would have to do a lot of hard work and spend considerable time and money.

10. *Is it possible to buy a small tract of public land?*

Yes. A few small tracts are available from time to time. However, most such land is in semiarid areas in the Western States.

11. *What about a farm in Alaska?*

Some land in Alaska may be homesteaded, some may be leased, and some may be bought. Before going there to live, get information about the climate, farming conditions, and markets in the area in which you are interested.

12. *What are the chances for success on an Alaskan farm?*

Certain areas in Alaska are suitable for farming, but the land may have to be cleared and chances for success are limited by lack of markets and transportation facilities. Alaska exports few farm products. The main demand for these products is local, and comes from the military and from local communities.

13. *Where can I get information about homesteading, or buying or leasing public lands?*

Write to the Bureau of Land Management, Department of the Interior, Washington 25, D. C.

GETTING INFORMATION AND ADVICE

14. *Where can I get help in making up my mind about farming?*

The Department of Agriculture issues numerous publications that would be of assistance in helping you decide

whether you want to farm, where to farm, and the type of farming to follow.

15. *Where can I obtain information about special farm enterprises, such as rabbit production?*

Get information about the production of rabbits, pen-raised fur animals, guinea pigs, and white rats and mice from the Department of Agriculture. Get information about wild fur animals, game birds, and fish culture from the Fish and Wildlife Service, U.S. Department of the Interior. Before undertaking any special enterprise, study the subject thoroughly, particularly if the enterprise is planned for a profit.

16. *Where can I get information and advice if I know the State in which I want to farm?*

Get in touch with the State college of agriculture; the State director of the Extension Service, usually located at the college; or the State experiment station, which usually has an office at the college. (Addresses are listed on the last page.)

17. *Where can I get assistance if I know the county in which I want to farm?*

Get in touch with the county agricultural agent. He is usually located at the county seat, or you can get his address from the State extension director. He can give you information about any particular farm or farms in the county in which you may be interested. He, or a committee of county farmers who work with him, also can give you information about farms for sale or rent in the county, crops suitable to the county, local farming practices, how much debt is safe, how to rent a place, and the size of farm necessary to support a family.

FINANCING THE FARM

Regular Loans

18. *Who can advise about loans?*

The county agricultural agent can give you preliminary suggestions about loans. But when you are seriously considering buying a particular farm, talk with representatives of lending agencies in the county.

19. *Where can I get a loan?*

If you have the downpayment there are several credit sources available such as the Federal Land Bank, commercial banks, insurance companies, farm mortgage companies, and individual lenders. (The usual downpayment is ¼ to ½ of the appraised value of the farm.) The person selling the farm may accept a purchase-money note if the payments are satisfactory.

20. *How do I apply for a Land Bank loan?*

A Land Bank loan is obtained through one of the Federal Land Bank Associations. These associations are local cooperatives set up by farmers to handle the loans. There are 800 of these associations, serving all agricultural counties. Apply for a loan to the association serving the county in which the farm you want to buy is located. You can obtain the address from the county agent or the Farm Credit Administration, Washington 25, D.C.

21. *How do I apply for a loan from other sources?*

Loans from commercial banks, insurance companies, farm mortgage companies, and individual lenders are obtained by applying to their local offices or local representatives in the county in which the farm you want to buy is located. Local banks and

farm real estate dealers often serve as loan correspondents for life insurance or farm mortgage companies.

FHA Loans

22. *How may I get a loan if I cannot make the usual downpayment?*

If you are experienced or trained in farming, but cannot make the usual downpayment, you may qualify for a loan under the Farmers Home Administration Farm Ownership Program. If you are a veteran of World War II or of the Korean conflict you may also qualify for a loan under the Loan Guaranty Provision of the "GI Bill of Rights" (Servicemen's Readjustment Act of 1944, as amended), provided you can find a lender who is willing to make a loan under the GI bill.

23. *What loans are made by the Farmers Home Administration?*

The Farmers Home Administration makes 40-year loans at 5 percent interest for the purchase, enlargement, or development of farms no larger than family farms. The loans are of two kinds—insured loans and direct loans. Insured loans are made from funds advanced by private lenders and insured by the Government. Direct loans are made from funds annually appropriated by Congress. The amount of the loan may not exceed the normal value of the farm minus any debts against the farm. In no case may the loan plus other debts against the farm exceed $60,000.

24. *What are the eligibility requirements for a Farmers Home Administration loan?*

The same standards of eligibility apply to insured loans and direct loans. You must be a United States citizen and unable to obtain suitable credit from other sources. In addition, you must be certified by the county committee as being qualified to farm. Veterans' applications are given preferential consideration.

For more information about—	*Write to—*
Public lands	Bureau of Land Management, Department of the Interior, Washington 25, D.C. Manager, Land Office, Anchorage, Alaska. Manager, Land Office, Fairbanks, Alaska.
Climate, farming conditions, and markets in Alaska.	Director, Alaska Agricultural Experiment Station, Palmer, Alaska.
Land Bank loans	Farm Credit Administration, Washington 25, D.C.
Farmers Home Administration loans	Farmers Home Administration, Department of Agriculture, Washington 25, D.C.

25. ***Does the Farmers Home Administration make loans to buy small farms?***

Yes, if the applicant is otherwise eligible, has dependable off-farm income, and will be receiving a substantial portion of his cash income from the farm.

26. ***Where do I apply for a Farmers Home Administration loan?***

Apply to the Farmers Home Administration office in your county-seat town. If there is no local office in your county, write to the Farmers Home Administration, United State Department of Agriculture, Washington 25, D.C.

GI Loans

27. ***What is the Loan Guaranty Provision of the "GI Bill of Rights"?***

It is a provision that makes it easier for World War II and Korean War veterans to obtain loans from private lending agencies. The Veterans Administration will guarantee part of a loan to a veteran to buy farmland, livestock, and equipment, or to improve or operate a farm. Unremarried widows of persons who met the military service requirements and died, in service or after discharge, from service-connected injury or disease, also are eligible.

28. ***How does the Loan Guaranty Provision work?***

The Veterans Administration guarantees as much as 50 percent of a non-real-estate loan to an eligible veteran. The amount guaranteed, however, may not exceed $7,500 for a farm real-estate loan (including house) or $2,000 for a non-real-estate loan. Real-estate loans may be repaid over periods up to 40 years, but usually not more than 25 years. Non-real-estate loans are repaid in 10 years or less. The interest rate on a regular guaranteed loan, real estate or non-real estate, is 5¼ percent or less. (Federally or State supervised lenders may charge a higher interest rate on a non-real-estate loan if they make the loan under the insured plan also provided in the law instead of the usual guaranty plan. For details of the insured plan, see your lender.)

29. ***How much can I borrow under the Loan Guaranty Provision?***

There is no limit on the size of the loan; that is up to the lender. But the total guaranty for any one veteran is limited as stated in the answer to question 28. You should, of course, guard against assuming too large a debt.

30. ***As a veteran am I automatically eligible for a loan under the Loan Guaranty Provision?***

No. You must know how to farm; you must be able to locate a productive farm at a reasonable value—as determined by an appraiser approved by the Veterans Administration; and you must satisfy the lending agency that you will be able to operate the farm on a sound basis.

31. ***Is there a time limit on applying for a loan under the Loan Guaranty Provision?***

Yes. The time limit for each veteran is subject to a formula based on date of discharge and length of wartime service. However, eligibility for World War II veterans ends July 25,

1967, and for Korean conflict veterans, Jan. 31, 1975.

32. *Where should I apply for a loan under the Loan Guaranty Provision?*

Apply to the lending agency from which you expect to get the loan. The agency will explain any regulations pertaining to your particular case and help you make proper application for a loan.

33. *What if a particular lending agency refuses to grant me a loan?*

Apply to other lending agencies. Even though one lender may turn down your application, another may be willing to grant you a loan. Also, a lender may turn down your request for a loan on one piece of property and be willing to make a loan on a different piece of property.

PUBLICATIONS

To obtain copies of the following publications, write to the agency by which they are published.

Farming in Alaska

Farming in Alaska, Alaska Agricultural Experiment Station Bulletin No. 20, Palmer, Alaska.

Land Occupancy, Ownership, and Use on Homesteads in the Kenai Peninsula, Alaska, 1955, Alaska Agricultural Experiment Station Bulletin No. 21, Palmer, Alaska.

Agriculture in Alaska, Alaska Agricultural Experiment Station Bulletin No. 22, Palmer, Alaska.

Agricultural Land Use in Alaska, Alaska Agricultural Experiment Station (in cooperation with the Agricultural Research Service), Palmer, Alaska.

Development of New Farm Land

Settlement Opportunities on Reclamation Projects, Bureau of Reclamation, U.S. Department of the Interior, Washington 25, D.C. Published annually.

Farming

Agricultural Land Resources in the United States, Agriculture Information Bulletin 140, U.S. Department of Agriculture, Washington 25, D.C.

Part-Time Farming, Farmers' Bulletin 2178, U.S. Department of Agriculture, Washington 25, D.C.

Getting Started in Farming, Farmers' Bulletin 1961, U.S. Department of Agriculture, Washington 25, D.C.

Farm Financing

The Federal Land Bank System—How It Operates, Circular 35, Farm Credit Administration, Washington 25, D.C.

Long-Term Mortgage Loans, Circular 1, Farm Credit Administration, Washington 25, D.C.

Current Developments in the Farm Real Estate Market, U.S. Department of Agriculture, Washington 25, D.C. Published three times a year.

Appraising Your Farm, Circular 13, Farm Credit Administration, Washington 25, D.C.

Farm Ownership Loans, PA–62, Farmers Home Administration, U.S. Department of Agriculture, Washington 25, D.C.

ADDRESSES OF STATE DIRECTORS OF EXTENSION SERVICE

Alabama: Auburn University, Auburn.
Alaska: University of Alaska, College.
Arizona: University of Arizona, Tucson.
Arkansas: P.O. Box 391, Little Rock.
California: University of California, Berkeley 4.
Colorado: Colorado State University, Fort Collins.
Connecticut: University of Connecticut, Storrs.*
Delaware: University of Delaware, Newark.
Florida: Rolfs Hall, University of Florida, Gainesville.
Georgia: College of Agriculture, University of Georgia, Athens.
Hawaii: University of Hawaii, Honolulu 14.
Idaho: 317½ North Eighth Street, Boise.*
Illinois: College of Agriculture, University of Illinois, Urbana.*
Indiana: Purdue University, Lafayette.
Iowa: Iowa State University, Ames.*
Kansas: Kansas State University, Manhattan.
Kentucky: College of Agriculture, University of Kentucky, Lexington 29.
Louisiana: Louisiana State University, University Station, Baton Rouge 3.
Maine: College of Agriculture, University of Maine, Orono.
Maryland: University of Maryland, College Park.
Massachusetts: University of Massachusetts, Amherst.*
Michigan: Michigan State University, East Lansing.
Minnesota: Institute of Agriculture, University of Minnesota, St. Paul 1.
Mississippi: Mississippi State University, State College.
Missouri: College of Agriculture, University of Missouri, Columbia.
Montana: Montana State College, Bozeman.
Nebraska: College of Agriculture, University of Nebraska, Lincoln 3.
Nevada: University of Nevada, Reno.
New Hampshire: University of New Hampshire, Durham.
New Jersey: State College of Agriculture, Rutgers University, New Brunswick.*
New Mexico: New Mexico State University, University Park.*
New York: New York State College of Agriculture, Ithaca.
North Carolina: North Carolina State College, State College Station, Raleigh.
North Dakota: North Dakota State University of Agriculture and Applied Science. Fargo.
Ohio: College of Agriculture and Home Economics, Ohio State University, Columbus 10.
Oklahoma: Oklahoma State University, Stillwater.
Oregon: Oregon State University, Corvallis.*
Pennsylvania: College of Agriculture, the Pennsylvania State University, University Park.
Puerto Rico: University of Puerto Rico, Río Piedras.
Rhode Island: Woodward Hall, University of Rhode Island, Kingston.*
South Carolina: Clemson Agricultural College, Clemson.
South Dakota: South Dakota State College, College Station, Brookings.
Tennessee: College of Agriculture, University of Tennessee, Knoxville.
Texas: Texas Agricultural and Mechanical College, College Station.
Utah. Utah State University of Agriculture and Applied Science, Logan.
Vermont: College of Agriculture, University of Vermont, Burlington.
Virginia: Virginia Polytechnic Institute, Blacksburg.*
Washington: Washington State University, College Station, Pullman.
West Virginia: College of Agriculture, West Virginia University, Morgantown.
Wisconsin: College of Agriculture, University of Wisconsin, Madison 6.*
Wyoming: College of Agriculture, University of Wyoming, University Station, Laramie.

Addresses of State Directors of Experiment Stations are the same as for the Extension offices, with the following exceptions:

Alaska Agricultural Experiment Station, Palmer.
Arkansas Agricultural Experiment Station, Fayetteville.
Connecticut Agricultural Experiment Station, New Haven 4.
Idaho Agricultural Experiment Station, Moscow.

*Associate Director.

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